



Briefing Book for Fresno General Plan Implementation / Infill Development Task Force

Meeting 3: October 9, 2013

Table of Contents

Meeting 3 Itinerary	2
Meeting 2 Summary	3
Priority Infill Areas.....	3
Case Studies	4
Meeting 3 Goals	5
General Findings of the Task Force	5
Primary Challenges.....	5
City’s Role in Advancing Infill Development.....	6
Draft Infill Strategies and Tools for Fresno	7
Financing Mechanisms	7
City of Fresno Actions.....	8
State of California Actions	10
Draft Infill Strategies and Tools by Priority Infill Areas	11
Downtown.....	11
Key Findings.....	12
Tools & Strategies	12
BRT Corridors	14
Findings	14
Tools & Strategies	14
Older Neighborhoods.....	15
Findings	15
Tools & Strategies	16
Next Steps	17
Appendix	18
Additional concepts, tools and strategies for infill development	18
“Transportation secretary delivers \$16 million for Fulton Mall makeover.” By George Hostetter. <i>Fresno Bee</i> . September 6, 2013	19

Meeting 3 Itinerary

Fresno General Plan Implementation / Infill Development Task Force

Itinerary: Task Force Meeting #3

October 8-9, 2013

**Downtown Fresno Holiday Inn
1055 Van Ness Ave.
Fresno, CA 93721**

Tuesday, October 8

Attire is business casual.

5:45 pm	Meet in the lobby of the Holiday Inn, depart on foot for dinner (about a 5 minute walk)
6:00 pm	Dinner at Peeve’s Public House 1243 Fulton Mall Individual checks; Dinner will be around \$35, not including optional drinks, dessert and gratuity.

Wednesday, October 9

Business attire.

9:00 am	Task Force Meeting #3 Continental breakfast served
11:00 – 11:15 am	Break Light snacks
1:00 pm	Adjourn

Meeting 2 Summary

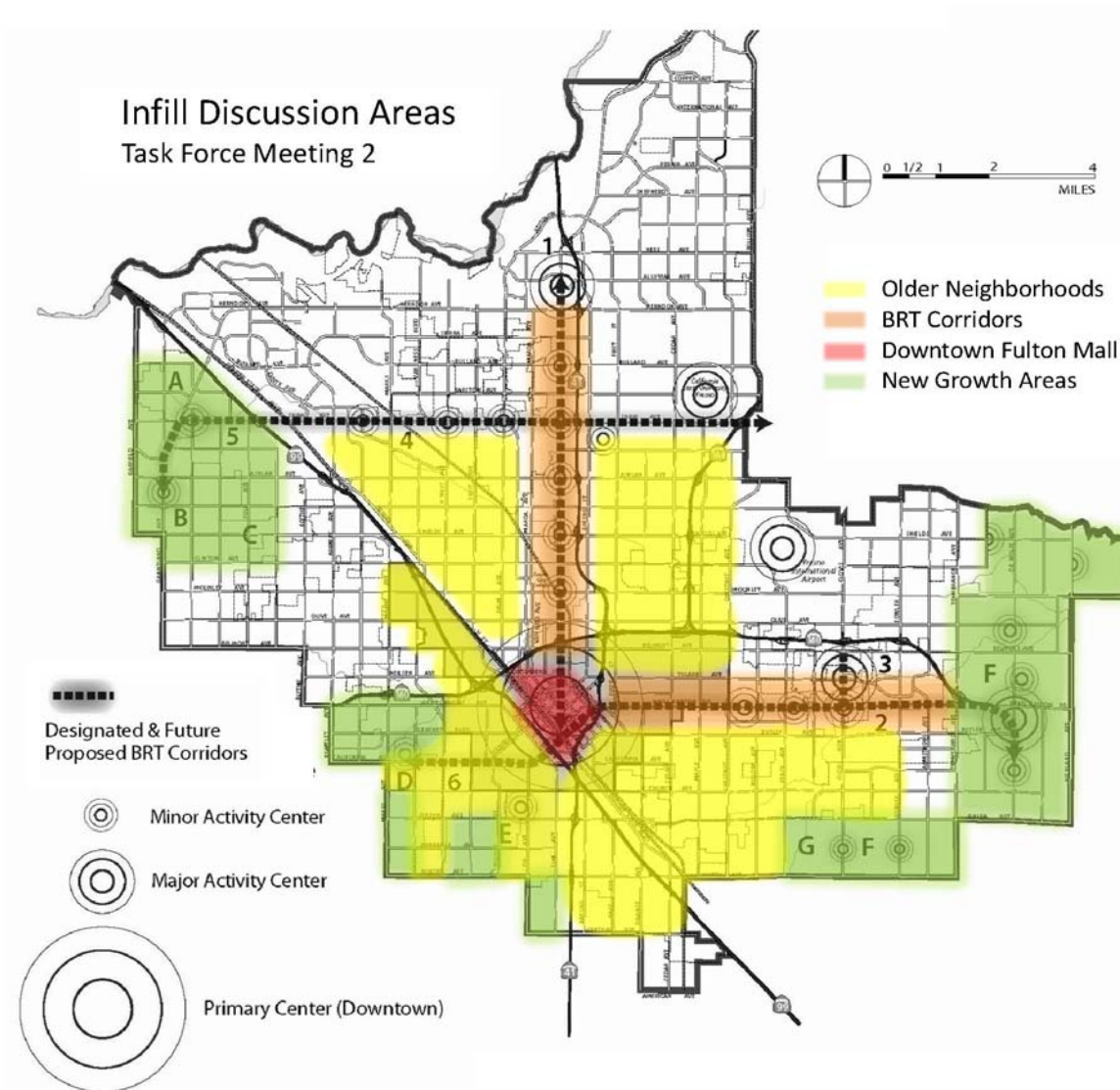
The second Infill Task Force meeting used case studies of real and hypothetical development projects to elicit discussions about specific obstacles and potential solutions for infill development in Fresno. The case studies represented the challenges of and opportunities for infill development in three types of infill priority areas as described below.

Priority Infill Areas

Meeting 2 introduced Task Force participants to the city's priority infill areas. Jennifer Clark, the director of Fresno's Development and Resource Management Department, presented a summary of these areas and the opportunities they present:

- **Downtown:** The downtown core encompasses the "triangle" area between the three major highways – 99, 41, and 180. About 35,000 people work in the downtown each day. The highways that surround downtown have high traffic volume. There are many recent examples of successful redevelopment projects.
- **Future Bus Rapid Transit (BRT) Corridors:** The BRT corridors extend north and east from the downtown area along Blackstone Avenue to the north and Ventura/Kings Canyon to the east. Vacancy rates are low on the Blackstone Corridor north of Shields. Blackstone has good traffic flow and there is opportunity for new housing development linked to the future BRT station areas.
- **Older Neighborhoods:** These neighborhoods surround the downtown and straddle the BRT corridors. Existing infrastructure is already in place in these areas.

Figure 1 - Infill Areas from Meeting 2



Case Studies

The case studies included the following proposed development projects:

1. Hotel Fresno: An adaptive reuse project in Downtown;
2. The “Kidney Bean” lot: A publicly-owned, vacant opportunity site for new construction in Downtown;
3. Blackstone and Gettysburg: An underutilized lot along the future BRT corridor; and
4. A single-family new construction project at Princeton and Van Ness, in an existing historic neighborhood.

The Task Force split into four groups to discuss issues and opportunities relative to each case study, with a focus on identifying financing, infrastructure, partnership and other strategies to help to make these projects move forward. The groups then re-convened as one large group to hear report-outs from each case study

focus group and engage in a broader discussion about implementation tools for infill. Many of the ideas that emerged from these discussions are included in the recommendations that follow throughout this briefing book.

Meeting 3 Goals

The goals of the third and final meeting of the Task Force are:

- **Review and refine recommended strategies:** What follows in the briefing book below is a summary of many of the strategies identified by the Task Force over the previous two meetings. Some have more “flesh on the bones” than others. The group will devote some time to refining and prioritizing this list during the third meeting. The results will form the basis of the final reports on the Infill Task Force, which will in turn directly inform the Implementation Element of the City’s General Plan Update.
- **Discuss prioritizing infill target areas and projects:** Within the three distinct infill areas described above – Downtown, BRT Corridors, and Older Neighborhoods – how can the City identify priority locations where both public and private investments will yield the greatest possible leverage, catalyze additional investments, and improve quality of life? Given the large size of these three infill areas and limited resources available, where should the City start?
- **Identify next steps:** We want to come away from the third Task Force meeting with a clear understanding of what the City’s next steps should be to implement the recommendations of the Task Force.

General Findings of the Task Force

The following provides a summary of some of the general findings of the task force, followed by some of the existing initiatives already underway at the City and state levels aimed at fostering infill development.

Primary Challenges

- **Market dilemma:** Infill costs more to develop than the market will support given the current weak market environment. Some level of subsidy is needed to reduce the cost of development to what the market can support, and catalyze market growth.
- **“Risk gap”:** The “risk gap” – the gap between the level of risk lenders are willing to undertake and the level of risk that is viewed as inherent in most infill projects – is a major impediment to financing infill development, and poses a more significant issue than availability of capital. Current property values in Fresno do not support the underwriting criteria of most traditional lenders, nor does the current market provide any guarantee of appreciation in property value, posing a major challenge to project financing. However, without financing, there will be no new activity or appreciation in value.
- **Relationship to greenfield development:** There is a direct relationship between the expansion of greenfield development on the city’s edges and the viability of infill development in the city core. In effect, each new development financed in greenfield areas on the city’s periphery increases the “risk gap” and decreases the underwriting value for development within the infill areas. Phasing of and restraints on new growth in greenfield areas are critical to balancing these opposing forces and helping to further close the risk gap. The city’s infill strategy should be tied to an overall growth strategy that ensures the desired 55/45% split for new/infill growth.

- **Infrastructure finance:** The “risk gap” is also true for infrastructure finance. Grants or loans are the predominant financing mechanism for infrastructure, but underwriting criteria for these funding sources often do not support the perceived risk of default in Fresno’s current market.
- **Infrastructure investments are just part of the solution:** Infrastructure investments are an important part of the strategy to help catalyze infill development, but they are not the end goal. Rather, infrastructure investments provide improvements to the physical spaces (e.g. “clean and green” techniques) and/or physical capacity for development (e.g. utilities) helping overcome development constraints for new growth (replacement of gaining infrastructure or added capacity), both strategies can help improve market potential. These type of investments, such as the \$20 million investment to restore vehicular traffic on the Fulton Mall, must also be supplemented with other public/private strategies to improve market conditions, such as programming events in targeted areas, doing publicity or other outreach, working with developers help them rehabilitated and reuse historic structures and getting new construction moving on vacant lands. Infrastructure investments alone will not be a game-changer.
- **Technical capacity gap:** Working with subsidy programs for development projects is complex. Many local developers and municipal staff are unfamiliar with the ins and outs of how to create redevelopment deals using various federal, state, and local programs such as tax credit financing. Likewise, local lenders are often unfamiliar with newer product types. There is a need to fill this capacity gap if more projects are to occur using these complex financing strategies. The Hotel Fresno is a good case study illustrating this point: The case study group found that if the project was structured 80% market-rate/20% affordable, the deeper subsidy would be relevant to a fewer number of units, thereby freeing up those units to be market rate which would ultimately help strengthen the financial viability of the project.
- **Need to prioritize:** With limited resources, the City should focus on very targeted priority areas, despite the need for redevelopment activity over a larger area. This will ensure greatest “bang for the buck” and maximize the leveraging potential of investments, and also lessen the possibility of “confusing the market” about where the focus and energy is/can reach a critical mass. The city can prioritize by short, medium, and long term strategies and should identify specific locations where public investment will have the most impact.
- **Examine incentives and disincentives:** There must be incentives for developing infill land and disincentives for sitting on it. Too many people are sitting on infill parcels that they own free and clear. Fragmented ownership is also an issue.

City’s Role in Advancing Infill Development

Concurrent with the Task Force efforts, the **City** is advancing the following key initiatives aimed at furthering progress on infill development:

- **Economic development** – Mayor Swearengin’s administration has a robust economic development agenda that includes capitalizing on existing assets (e.g. strength in food-related businesses) and strengthening workforce development opportunities. These and other economic development strategies will help bolster the overall market conditions in Fresno.
- **Permitting Review Process, Policies and Codes**

- The City has initiated Business Friendly Fresno with the goal of which is “to make sure the City’s development application, permitting, and construction management processes are cutting-edge, highly coordinated, friendly, easy to navigate, and measurably competitive with other cities in our region and other regions in our country.” The initiative involves both an internal working group of City staff and a task force of private sector representatives.
- Additionally, Fresno Councilmember Brand recently convened a series of committee meetings to explore the challenges if infill development and plans to issue a report on the findings. In addition, the General Plan Update contains policies that will allow for the updating of codes that allow more compact mixed use products in Infill Areas, and more design flexibility.
- The City is considering implementing a new GIS-based technology called EnerGov, an automation platform that could provide a more efficient streamlining of processes and a more user-friendly interface for constituents.
- **BUILD Act** - The city passed the BUILD Act in 2013. The BUILD Act waives fees for developers who want to replace old, non-historic structures with like structures.

State’s Role in Advancing Infill Development

Additionally, the state has several programs in place and pending or recently passed legislation that can also help to contribute to infill projects in Fresno including:

- The state of California has several infrastructure, housing and historic tax credit programs that provide grants and loans for projects that can help contribute to the ‘clean and green’ strategies, new housing projects, infrastructure investments, etc.
- Recent or pending state legislation that could benefit or complement Fresno’s efforts include:
 - SB1 Redevelopment Funding: Would create a TIF-like mechanism for 1-mile radius around High Speed Rail stations and in infill areas. Did not move out of committee this session.
 - SB 743 CEQA Reform: Streamlines the CEQA process and creates exemptions for reviews and level of service measures in Infill areas and Transit Priority Zones.

Draft Infill Strategies and Tools for Fresno

The following financing and incentive mechanisms have been specifically discussed by the Task Force and hold particular relevance to Fresno. A list of additional tools and strategies generally available for infill development is included in the appendix. Each of these ideas and concepts include a series of questions for the Task Force to consider and respond to during the meeting.

Financing Mechanisms

District-Based Financing /Value Capture (CFD/Mello-Roos/Special Tax/Assessment, IFD/TIF) District based financing and value capture strategies attempt to leverage existing and future increases in property values of a specific area or development project and use that value to generate funds for investments (e.g. public infrastructure) aimed at helping further improve the quality of place in support of accelerating that property value/market growth. The following highlights some of the existing issues and opportunities with these mechanisms relative to Fresno:

- **Mello-Roos Community Facilities Act Special Taxes**— Allows for the establishment of Community Facilities Districts (CFDs) as a mechanism to primarily fund infrastructure projects through establishing special taxes.
 - Generally simple, but can be complicated because of the state requirement for a 2/3 majority to vote of property owners or voters depending on the district configuration. Limitations exist because property values in Fresno are low, the increment of value increase may be small, and market for bonds can be thin.
 - A specific question for CFD's in Fresno is whether or not the investment of BRT in the Blackstone corridor could help spur the market and therefore make the potential for property value increases greater? Likewise, would property owners and possibly voters support the imposition of an additional property tax to fund public infrastructure improvements?
- **Value Capture Strategies** – within a specified geographic area, value capture strategies refer to monetizing the increased property value provided by major public investments. Examples include establishment of Transit Infrastructure Finance Districts. When and how could these be applied in Fresno? Can this be capitalized on? Is the downtown district an even more viable value capture area given high speed rail's investment?

City of Fresno Actions

A recurring theme raised at the Task Force meetings is the need for the City to send 'signals to the market' as to where and how it is putting its own 'skin in the game' relative to priority areas for infill development. This broadly covers policy initiatives, permitting process changes, tax revenue generation strategies, infrastructure investments or other capital funds, partnerships and marketing. Given these discussions, the following highlights some of the key efforts for the City to initiate or continue moving forward with:

Planning and zoning – land use and land development code changes aimed at encouraging the type of infill development desired throughout the City by right.

- Implement the General Plan Update, Downtown Neighborhoods Community Plan, and Fulton Corridor Specific Plan
- Implement the planned form-based zoning code for Downtown and the zoning ordinance rewrite for the rest of the City to minimize the number of variances that may be necessary.
- Allow and encourage very flexible building design in areas where a market shift is expected but not for several years (e.g. Downtown, BRT corridors). Allow bottom floors to be easily converted from, e.g., residential to commercial, or vice versa, etc.
 - Currently residential and commercial properties are renting for roughly same price per sf
- Create policies that allow for density bonuses in Infill locations and creative solutions (e.g. shared parking strategies) to maximize the use of parking resources.
- Increase code enforcement for target areas.
- Adopt Complete Streets policies to enhance walkability/livability in targeted areas.

Fees and permitting processes –strategies aimed at making the development review and permitting process more streamlined in the City, thereby reducing the time and uncertainty for developers:

- Explore ways to expedite the permitting process. Business Friendly Fresno (see above) is working along these lines to identify ways to streamline these processes. Given the City's limited resources and staffing constraints, one recommendation is to explore an "express lane" permitting option, in which a developer can pay for outsourced third-party application review. This would allow applicants to receive faster service than City staff is able to provide, if desired.
- Waive fees for priority development, e.g. restaurants around the ballpark or TOD at BRT stations

Tax and utility fee abatement –strategies aimed at creating incentives through reductions or discounts on taxes for new infill development or rehabilitation/renovation in targeted infill areas.

- Explore implementation of a local Mills Act program to provide property tax abatement for historic rehabilitation projects.
- Explore creation of a Historic Overlay District/s to qualify projects for Historic Tax Credits.
- Waive utility fees for targeted infill projects.
- May want to implement tax and fee abatement programs on a rolling basis, so that smaller areas receive abatement incentives for a limited time only, to incentivize interested parties to take advantage of these programs. Of note, these abatements are not likely to be enough of a tipping point to overcome market feasibility issues, but can be a helpful when combined with other programs/incentives.

Capacity building –efforts to raise the level of technical expertise with the community needed to execute more complex private development projects that utilize public sector loans, tax credits, etc.

- Learning Exchange/Developer Concierge – creating a learning network, or city-based expertise available to private developers seeking assistance in structuring development deals with federal/state programs/loans (HUD, Historic Tax Credits, etc.) Could include training programs for local developers by outside experts in creative development finance highlighting the different tools and financing mechanisms. City could partner with industry organizations such as Urban Land Institute (ULI) or others to bring these type of learning programs to Fresno.
- Develop a "concierge" service through City to walk people through these programs – Need very keen in-depth expertise in each of these things. Could be an in-house expert or a list of resources – consultants/experts located elsewhere.
- Need to study the incentives/disincentives to continue to hold unimproved or under improved land within the City. Identify what if any current vacant land/buildings could be activated by right combination of incentives/disincentives.

Partnerships – partnerships, programs and initiatives that the City can advance to strengthen market conditions for infill development.

- Fresno State Partnership with Construction Management Program – creating incubators for small scale developers; demonstration projects; prototypes of infill projects
- Cultural Institutions and Non-Profits – engaging institutions in place-based community development initiatives
- Major Employers – connecting with major employers located in Infill locations to encourage "live where you work programs." Are there specific facilities (like hospitals) that have a vested interest in

having employees live nearby? Are there specific institutions that would be willing to take a stake in the fate of a given neighborhood? Are there any employers who would be willing to offer employer assisted housing?

- Recruiting Anchor Tenants to Infill Locations; Leveraging Public Sector Tenants (e.g. Housing Authority, County Offices Downtown, Community Regional Medical Center, CalTrans, etc.) as Anchors to Key Locations
- Connect with New Funding Partners - Many of the suggestions by the Task Force require additional planning, and others require additional research or analysis, particularly for some of the more complex and innovative tools/strategies suggested (e.g. Social Impact Bonds (SIBs), Value Capture Strategies). Given the City's stressed financial resources and the region's lack of large and well financed philanthropic organizations, the City should initiate partnerships outside of Fresno. There are state and regional organizations that may have capacity to assist in the planning efforts, such as the California Endowment and the Fresno Council of Governments. Could also initiate grant writing efforts to engage philanthropic organizations.

Revenues and Capital Investments – specific strategies to help the City generate additional revenues and fund future capital/ infrastructure investments in targeted areas aimed at improving quality of place, enabling development and improving property values.

- Advertising and naming rights (BRT stations, Major Venues, etc.) to generate revenues for specific projects or area. Example from Oakland where billboards helped finance the Fox Theater.
- Identify and prioritize catalytic infrastructure project needs (e.g. Water/Sewer Upgrades) and publicize the order of priority to send a signal to the market.

State of California Actions

Given the repeal of redevelopment authorities, the State is currently examining several options for helping to fund and support infill projects. The Task Force identified several key steps the state could take that could benefit Fresno and beyond as follows:

- The State should explore a **Loan Guarantee Fund** that could help cities like Fresno to finance projects. The City is currently in discussions with **California Housing Finance Agency (CalHFA)** and Housing and Community Development (HCD) about this initiative. Discussions needed to identify specific project opportunities relative to infill priority areas.
- **State of California Department of Housing and Community Development (HCD)** is interested in helping with local capacity building initiative in Fresno. State agency representatives could engage with key Fresno staff to identify specific actions/strategies to identify key capacity needs and tailor technical assistance or outreach accordingly.
- Statewide policies should be examined to identify potentially underutilized funding sources relative to:
 - Alignment of transportation and land use policies including specific CalTrans and HCD plans and project investments. For instance, are there specific projects or resources (e.g. Transportation Alternatives funding, transportation studies, etc.) that CalTrans may be able to help bring to bear in Fresno to advance more sustainable transportation strategies in support of infill development?

- **State Facilities and Infill** – Through executive order, the state currently considers location-efficiency factors in expansion decisions of public facilities to support objectives such as reducing VMT, investing in infill, protecting agricultural lands, etc. To expand upon this practice, the state could also explore and encourage more place-based investment decisions for state run facilities (e.g. health centers, universities, etc.) There is a rich history of educational institutions serving as key anchors for revitalization and redevelopment efforts of cities.
- **The Strategic Growth Council** should continue to be proactive in helping to mediate regional land use debates and conflicts.
- **High Speed Rail (HSR) Authority** – despite the uncertainty of HSR, there are tremendous issues and opportunities that HSR and the major downtown Fresno Station bring to the City relative to promoting infill development and potentially discouraging greenfield development. In particular, the HSR alignment will impact several acres of nearby agricultural lands. Does this present an opportunity for funding additional agricultural land preservation efforts? Are there other mitigation strategies that could help benefit the Infill Priority Areas in Fresno?

Draft Infill Strategies and Tools by Priority Infill Areas

The above discussion highlights the general actions and strategies for consideration to help advance Infill Development in the City of Fresno. The following highlights some of the key issues and potential strategies for each of the priority infill areas.

Downtown

The downtown area covers several square miles in between the three major highways. The core business and civic area is south of Divisadero. However, like the Blackstone BRT corridor, the city may benefit from a targeted block-by-block approach that focuses scarce city resources into the areas best positioned to stimulate broader revitalization and economic growth. Within the larger Downtown area, the Fulton Mall is the area that has greatest potential to spur future development for several reasons:

1. It is the core of the downtown.
2. It has historic significance and contains several of the city's most prominent buildings.
3. It is adjacent to the future high-speed rail station and future BRT hub.
4. It connects naturally to the popular Cultural Arts District along Fulton Street just north of the mall.
5. It links several key attractions including the baseball park and theatres.
6. The city has invested in the Mall's future through planning and establishing the Downtown Fresno Partnership.
7. U.S. DOT recently awarded nearly \$16 million for a project to restore traffic to the mall.

Focusing investments and strategies to attract private investment along Fulton Street from the Mall's east end at Inyo Street into the Cultural Arts District is an appropriate approach. Focusing on the mall connects the thriving Cultural Arts District with the downtown core, creating synergies between the areas that may spread out to the rest of the downtown area.

Key Findings

- There is a general sense that there is unmet market demand for housing and supporting retail and restaurants in downtown. This is based on the fact that existing vacancy rates for downtown housing is very low, combined with nationwide trends supporting increasing demand for downtown living, and the high amount of daytime population that works in the downtown area.
- Given the existing housing, demographics and desire to attract additional residential development, the City should consider specific initiatives to create more regular events, activity and destinations in downtown that can fill the gap until market demand strengthens. These activities need to be carefully branded and crafted to ensure that they appeal to a broader market seeking more specialty, or culturally authentic attractions – has to be something you can't get anywhere else in the City. Given existing demographics, there could be a stronger link or branding tied to the multiculturalism and existing Hispanic orientation of businesses in downtown that already exists.
- The existing historic building structures will take public subsidy and sophisticated developers to rehabilitate, renovate and repurpose for housing and commercial development.
- May need to have subsidy for commercial activity on ground floors until the residential base is robust enough to support it.
- Many believe there are several “micro-economies” in Downtown that present immediate market opportunities. Need more discussion to identify specifically what these economies or markets may be and identify key steps or actions to help kick-start them.
- Vitality of Downtown is related to the vitality of the surrounding historic neighborhoods. If City continues to invest (and support private investment) mostly on the fringes, the inner core neighborhoods will continue to suffer and be a drain on public funds. This will in turn push the market for these neighborhoods into further decline, despite their positive attributes of great historic housing stock, proximity to downtown destinations, etc. Therefore focus needs to remain on Downtown core and surrounding neighborhoods.

Tools & Strategies

- The key question facing the City is to determine where specifically to focus energy if moving block by block. There is a need to focus on very limited area for maximum impact, as spreading resources too thin will not have the intended catalytic effect needed in downtown. For example, in the near term given the Fulton Mall investments, the Kidney Bean lot / Hotel Fresno may be just too far off of Fulton to have the desired bang for the buck. Instead the short term focus should be on programs and projects aimed at creating more activity on properties along the Fulton corridor. The City should work closely with the downtown BID and local developers/property owners to help identify these initiatives.
- Given the scale of downtown, there is a need for better connectivity (visual, programmatic, logistical) between destinations and “hot spots” within the Downtown. City should develop and an overall wayfinding and signage plan to help orient visitors and pedestrians to key destinations.
- Need to analyze impacts of HSR in terms of land acquisition and mitigation strategies. Determine what if any potential there may be to relocate businesses in downtown to help foster infill development.
- Currently neither parking nor traffic is an issue in downtown (you WANT to have a parking problem and a traffic problem in downtown as it is emblematic of high demand). However innovative approaches to managing transportation assets in downtown can help foster infill growth. The following key steps are needed to address these issues:

- Take an inventory of on-site, and off-site parking spaces/parking supply and determine near term and long term parking demand. Confirm whether or not existing Downtown is overparked (for instance could the residential requirement be reduced to 1 space for every 2 units), and if so use this as basis for reducing site by site requirements or otherwise implementing shared parking strategies.
- City should retain control of parking as a long term revenue stream, monitoring demand to guide variable pricing and the expansion or reduction in parking supplies.
- Current roadway level of service (LOS) standards as set by CalTrans call for LOS of D. City form and issues could warrant a reduction to LOS E or F. Doing so could help reduce cost of impacts for infill projects, and over time additional transportation capacity can be met through alternative modes – transit, walking and biking. The City should work with CalTrans on reducing the LOS standards and/or exploring innovative approaches for downtown such as the establishment of multimodal levels of service that help shift the focus to non-auto modes.
- Recent CEQA reforms (SB 743 CEQA) may also prove helpful in downtown relative to exemptions from LOS standards for locations within ½ mile of premium transit service. City will need to work with partners to determine viability/applicability of this measure around proposed HSR station and if applicable outside of Downtown on BRT corridors.
- Current zoning policies in downtown should be reviewed to examine feasibility of changes that would allow for more flexibility on the type of uses allowed in downtown on a given parcel/projects. Strategies could include moving to a form-based code approach or designating all of downtown as mixed use. This would allow for more flexibility in reusing existing buildings given that current residential and commercial rents are about equal per sf. Flexibility in design and use standards will allow easier conversion (e.g. ground-floor residential to commercial or apartments to office) as markets shift.
- Ground-floor commercial may require a higher subsidy at the moment. Higher overhead costs and not as much immediate market for it yet. In some key locations you want to insist on ground-floor commercial but in some you might want to allow other uses until the market builds for retail, services, etc. Could also include strategies to program future retail space with non-profits, civic uses or other temporary destinations until retail market is stronger.
- City should look into “micro-units.” Very inexpensive to rent so closer to market rate without subsidy, and you get higher unit count which could help close funding gap. Need to explore feasibility and potential demand for this product type.
- Downtown properties should be evaluated to identify opportunities for business incubators and flex office space.
- Explore an adaptive reuse/historic building ordinance. Protect historic assets and encourage reuse (e.g. Spring Street, Downtown LA example). The historic overlay district could also help position key assets for historic tax credits.
- Expand BID to include Hotel Fresno, Kidney lot, Cultural Arts District. City should partner with BID or initiative a separate effort to encourage creation of temporary and permanent destinations in downtown, and/or regular events in downtown aimed at attracting downtown residents and non-residents alike. Should cater to existing market (primarily Hispanics) and emerging demographic (millennial and residents in near in neighborhoods looking for authentic experiences not found in

North Fresno). Some interim uses and destinations include: sculpture park, food truck court, playing fields for sports, etc.

BRT Corridors

There are two key BRT Corridors identified in the City. The Blackstone Corridor extends from downtown to the River Park development north of Herndon Avenue and was used as a case study for the Task Force. The other BRT corridor is the Ventura/Kings Canyon corridor, which connects Downtown with neighborhoods to the east. The Blackstone corridor is roughly nine miles in length. Task Force participants and city officials discussed development potential along the corridor during the second meeting. The one-mile stretch between Ashlan and Shields Avenues probably has the highest redevelopment potential in the near-term. This stretch of Blackstone Avenue will soon feature a major BRT stop at Shields and Blackstone. The owners of the Manchester Shopping Center, which is also at Shields and Blackstone, are preparing for a renovation that may add retail and office space, and potentially introduce residential to this key activity center. The two-block stretch currently features several large retailers surrounded by ample parking. The city would like to introduce a more diverse mix of uses in the area, including more residential. There is a need to prioritize segments of this corridor for City investments and focus. A natural organizing theme would be to target the ¼ to ½ mile areas around the proposed BRT station areas. Strategies for the Ventura/King’s Canyon corridor should follow similar to Blackstone.

Findings

- The overall length of the corridors represents a challenge to having an overall corridor strategy. The strength of existing market, the urban form and aesthetics vary greatly from end to end. Therefore there is a need to consider developing subarea level districts for each corridor, ideally tied to proposed station areas or other market characteristic driven boundaries.
- The land assembly needed to support larger scale redevelopment will be a challenge. A vacant and parcel size analysis is needed to identify where there are some larger lots adjacent to future station areas to look at potential for redevelopment.
- Given some of the existing strength of this corridor relative to existing businesses, this corridor may need less intervention by the City to help drive development. Instead more private sector or non-profit partners should be the primary drivers to help drive new development or infill. The City’s role should instead focus on working with public sector tenants and providing the ‘place based’ streetscaping plans and projects, and supporting land use/code policies to encourage mixed use and TOD.
- The existing urban form of the corridor is geared towards the automobile. As transit comes online and more compact forms of development occur through infill, a more comprehensive walkability and Complete Streets policies should be pursued to ensure that walking, biking and transit use are in fact supported by a concentration of destination located in compact nodes, and the appropriately scaled infrastructure to support all modes.

Tools & Strategies

- Before BRT is implemented on the corridor, the primary goal for the City will be to establish the right mechanisms to support value capture strategies associated with the long term increase in property value associated with multimodal accessibility improvements. The City should seek guidance from the BRT Peer Exchange to potentially help offer advice on this.

- The concept introduced earlier of a Community Finance District (CFD) may be most appropriate for the BRT corridors. As property improvements occur, higher fees kick in. Example in Emeryville, CA a good model. Owners could either pay a fee up front to support infrastructure improvements or they could pay later after improvements at a higher rate. City can make improvements in phases as funding became available.
- Given the need for the City to focus on the placemaking infrastructure improvements and policy level initiatives (e.g. entitlements), it is recommended that the City develop a TOD Overlay/Mixed Use District and a BRT Corridor Masterplan and Station Area Design for both corridors to identify the specific infrastructure improvements, streetscaping, multimodal accessibility and connectivity design features (e.g. walkability improvements), form based code (or similar policies to encourage mixed use and design flexibility) and Transit Oriented Development (TOD) station area masterplans. The City needs to partner with the MPO and Caltrans to examine what additional funding opportunities or grants may exist to make these improvements.
- Currently there isn't much housing on the Blackstone Corridor. This could be a stronger market for infill, multi-family housing with 80% market rate/20% affordable. Housing should be strategically targeted to be located within walking distance (1/4 mile) of the future transit stations.
- The Blackstone corridor could be a good market for strategically locating Federal Qualified Health Centers (FQHC's) as needed in underserved, lower income areas. The City should partner with local and state health agencies to address location needs and decisionmaking to better align with Infill Priority areas.

Older Neighborhoods

The older neighborhoods cover much of the developed city. The investments in the Blackstone Corridor and Downtown will likely be more concentrated, while the investments in the older neighborhoods will be more diffuse since a single infrastructure investment will affect a relatively small number of properties. Therefore, the best implementation strategies will probably be more policy oriented. The city has already made one significant policy change through the BUILD Act, which acknowledges that the impacts of infill development are lower than greenfield development because most of the necessary street and park infrastructure is already in place. The BUILD Act waives fees for developers who want to replace old, non-historic structures with like structures.

In order to identify more place based approaches to redeveloping the neighborhoods, it may be beneficial to highlight the major community assets; cultural, social or faith based institutions; key destinations and the walk/bike/transit access within each neighborhood to start identifying centers of focus and emphasis for infill strategies. The neighborhoods represent opportunities for the smaller scale, incremental infill, renovation and redevelopment of both housing and commercial properties.

Findings

- Similar to the corridors, the neighborhoods cover a wide range of income levels, quality of housing stock, accessibility to destinations, quality of schools, owner-occupied vs. rental occupied ratios, community engagement in design review, size and scale of lots for redevelopment, etc. As such, a smaller scaling sub area approach is needed to better define neighborhoods by tying them to specific community anchors or existing assets (a school, a park, a major institution, a commercial corridor or

node, etc. Similar to the way the Tower District neighborhood has its unique identity, brand and center of gravity – the same is needed throughout the City’s infill neighborhoods.

- One of the challenges of neighborhoods is the lack of large parcels for redevelopment. Most often there are single lot opportunities that will be most attractive to small-scale developers or professional ‘renovate and flip’ entrepreneurs. Unfortunately in many locations these projects still do not pencil out, and in some cases are met with strong community opposition to building forms that do not replicate historic patterns.
- Many of the existing neighborhoods have very good bones relative to urban form (mature landscaping, grid of streets with sidewalks, etc. which are attributes coveted by many homebuyers, but the size and style of the older homes may not be as attractive.

Tools & Strategies

- To begin to address the market feasibility of redeveloping a single lot residential project, revisins to the zoning code and land use policies should be explored to allow for a higher yield on each lot by allowing for accessory dwelling units or increased overall density to 2 du/lot. To address neighborhood design concerns, model projects could be developed to demonstrate how a duplex model or single family with detached carriage house can be designed with respect to the existing neighborhood character. Given the financial challenges of neighborhood redevelopment, the City should institute targeted urban pioneer incentive program such as tax abatement or utility abatement strategies. These should be targeted to smaller scale geographies for a set period of time and coordinated with other City neighborhood programs or investments. These could be considered as rolling target areas, where incentives expire after a certain number of months or years.
- The City should explore a partnership with Fresno State construction program to create a small developer incubator program and target demonstration projects in select neighborhoods. City could offer incentives by providing office space or other technical resources to small developers to help foster there growth.
- City needs to work with citizens to help develop unique brand or identify for neighborhoods and provide infrastructure investments, marketing and other help to create activity and buzz about things happening in branded neighborhood x.
- Examine other policy or regulatory incentives to help encourage smaller scale redevelopment in neighborhoods.
- Seed the creation of Community Development Corporations to carry out neighborhood-scale infill projects.

Next Steps

The team will consolidate the Task Force’s recommendations and combine with additional analysis to develop two final reports:

1. The Fresno General Plan Implementation Strategies Report will summarize optional strategies for the City to adopt and incorporate into the Implementation Element of the Fresno General Plan. This report will draw on the three Task Force meetings. The report will focus on near, mid, and long term feasible strategies to support infill development. It will also identify priority development areas and outline phasing and implementation plans for each area.
2. The second report have a more national focus, using Fresno as a case study to illustrate innovative financing and redevelopment strategies for economically-distressed cities throughout California and the United States. This will be disseminated nationally by EPA.

Appendix

Additional concepts, tools and strategies for infill development

Other Property/District Based Financing Mechanisms

- Special Benefit Districts, Statewide Community Infrastructure Program (SCIP), Business Improvement Districts (BIDs)
- Economic Development Corporations – prior to the redevelopment of a targeted geography, many cities create quasi-public or fully private entities that created profit for themselves, and then reinvested that profit in infrastructure, etc.

Other City Financing/Revenue Generating Mechanisms

- Municipal Credit & Financing - General Obligation Bonds (GO), Revenue Bonds, Certificates of Participation, Private Placement Bonds, Infrastructure Financing Districts, State Infrastructure Bank
- Other Taxes/Fees - Hotel/Motel Tax, User Fees, Sales/Excise Taxes
- Public Parking Revenues
- Advertising Revenues
- “Pay for Success” Models - This concept is also sometimes referred to as social impact bonds (SIBs) or social innovation financing. It is a mechanism for tapping into private capital to fund social programs. The pay for success program refers to only paying when tangible results can be demonstrated in terms of improved public outcomes. This is a very new and emerging concept. In the Fresno context, potential public outcomes that could be target for a program like this could be reductions in VMT associated with infill development, preservation of agricultural or aquifer recharge lands or reductions in greenhouse gas emissions, improvements in educational attainment, reductions in poverty, etc.
- Public Private Partnerships (P3s) - Represents the group of strategies aimed at engaging the private sector in funding, building or operating public services. In most P3s, the private sector assumes the upfront financial, technical and operational risk of the project in return for future revenues (e.g. a toll road, a tolled bridge, parking, etc.). In the Fresno context, ideas mentioned for exploration were a downtown parking garage or recycled water.

Other Common Funding Sources/Strategies for Infill Development –programs and funds available to public and private sector for investment in distressed communities, historic properties or affordable housing.

- Federally Qualified Health Centers (FQHCs) (new program)
- US Housing and Urban Development (HUD) Loan Programs (e.g. 223 and 213 programs)
- HUD Project Based Section 8 program (PBS8)
- Low Income Housing Tax Credits – US Department of Treasury
- Historic Tax Credit Program - US Department of Interior/State Historic Preservation Office -
- New Market Tax Credits (Community Development Financial Institution (CDFI) funds from US Treasury
 - Community Development Entities (CDEs)
- Private Banks - Location Efficiency Loans (others?)
- Regional, State and Federal Funding for Infrastructure
 - MPO, Caltrans, High Speed Rail Authority, USDOT (New Starts, etc.), State Housing for TOD

[Next Story >](#)**Officials: Tower District explosion caused by marijuana operation**

Transportation secretary delivers \$16 million for Fulton Mall makeover

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By George Hostetter — The Fresno Bee

The feds' top transportation executive made his first trip to Fresno a memorable one -- he brought a nearly \$16 million cash gift.

U.S. Department of Transportation Secretary Anthony Foxx on Friday told a crowd of about 400 that Fresno will get a \$16 million federal grant to help pay for the opening of Fulton Mall to cars.

"Today is a new beginning for your central business district," Foxx said from the stage near the mall's Clock Tower.

No one responded with gasps of surprise. Word of the grant had leaked out Wednesday evening and moved fast in the digital world.

But most in the crowd were more than happy to cheer the old news. Mayor Ashley Swearengin hopes to combine the federal grant with \$2 million from the state and \$2 million from Fresno County Measure C taxes to pay for a total make-over of what was once the city's Main Street.

Foxx, the former Charlotte, N.C., mayor who took over the transportation department in July, made a hurried trip to Fresno to help Swearengin celebrate.

Foxx said Fresno is in the midst of various policy changes that will reverse the decades-old flight to suburbia. The result will be a reborn urban core that brings immense benefits to everyone, he said.

"It's a testament to the work and the leadership of this community that we're here today," Foxx said.

Fresno will receive a \$15,924,620 TIGER grant. The acronym stands for Transportation Investment Generating Economic Recovery.

A handful of speakers crammed a lot of praise, gratitude and high expectations into the half-hour ceremony. President Barack Obama's Strong Cities, Strong Communities initiative got considerable credit for helping shepherd Fresno's grant application through Washington's maze. Fresno is the only community west of the Mississippi River to be part of the President's pilot program to rejuvenate struggling cities.

Congressman Jim Costa, the Fresno Democrat who played a key role in successfully twisting the arms of TIGER grant bureaucrats, said opening the mall will spark a new beginning for downtown Fresno.

"This grant is a real game-changer," Costa said.

Fresnans recognize that an eight-figure check from Uncle Sam is nothing to sneeze at, Costa told Foxx.

"We'd like you to visit town every week," Costa said.

Raul De Alba, chief executive of Jalisco Jewelers on the mall, said he almost fainted from joy when he heard about the grant.

"Being visible to new customers is the best advertising we could have," De Alba said. "Let's open that street."

Swearengen has wanted to open the nearly 50-year-old mall to cars since she took office in January 2009. She says cars bring people and people bring business. This economic activity will re-energize what was once Fulton Street between Tuolumne and Inyo streets, which in turn will spur the recovery of downtown and its nearby neighborhoods, she says.

Several mall options are on the table. Swearengen favors a plan that would restore two-way traffic while retaining much of the mall's green space and public art.

The City Council will have the final say. The decision could come early next year. Some council members worry about maintenance costs and potential cost-overruns.

Friday's ceremony was part of an end-of-summer mall party hosted by City Hall and the Downtown Fresno Partnership, the nonprofit focused on championing downtown. Live music, free food and free parking did much to attract the crowd that generally cheered the speakers.

There were critics. Abe Jones, 31, sat on the Clock Tower's ledge with a sign: "The Fulton Mall. Honor it, don't destroy it." A grumble from someone in the crowd occasionally coincided with a speaker's pause.

Fulton Mall, born on Sept. 1, 1964, has fallen far short of everyone's hopes. But the place remains a dream and a rallying point for many. They are sure to march over the next six months.

The spotlight on Friday, though, belonged to Swearengen and her downtown revitalization team.

The mayor has been at the center of the Fulton Mall storm for nearly five years. Much of the criticism has had a whiff of condescension: Another mall plan? Ha! Show us the money.

Secretary Foxx obliged with the TIGER grant.

Perhaps that's why Swearengen played it cool on a late-summer afternoon. She revved up the crowd with a few opening comments. She made sure the speakers moved smartly from stage wing to microphone and back. And she waited with self-assurance until the end to put an exclamation point on arguably the most glorious moment of her mayoral career.

What was once Fulton Street, the six blocks of mall storefronts and high-rises that in some cases date back to the early 20th century, represents the birthplace of metropolitan Fresno, the mayor said.

"This is where Fresno was once vital and vibrant," Swearengen said. "Today it lays dormant. This is about waking up our past and seeing a new vision for our city. That's what this project is all about.

"We'll argue about the details tomorrow. Today, let's celebrate our city's future."